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Controller Releases April Cash Flow Figures

SACRAMENTO – State Controller John Chiang today released his monthly report detailing California’s cash balance, receipts and disbursements in April and through the first 10 months of the fiscal year.

“California’s three largest sources of revenue – personal income, sales and corporate taxes – are showing slower rates of year-over-year growth. Growth at the end of the first 10 months of the last three years has steadily slipped from 10.5 percent in 2006 to 2.1 percent in 2008,” said Chiang. “This downward trend, coupled with economic uncertainties, illustrates why we must continue working to bring California’s structural budget problems under control.”

Actual General Fund revenue in April was up \$1.6 billion, or 10.6 percent, from projections in the Governor’s 2008-09 State Budget proposal, released in January. Personal income taxes provided the biggest boost, coming in \$1.2 billion above the Governor’s estimate, an increase of 10 percent. Sales tax receipts were down \$168 million, or -15.9 percent, and corporate taxes were \$126 million higher, or 8.3 percent, than the Governor projected.

Personal income taxes provide almost 55 percent of the State’s General Fund, making April, with its personal income tax filing deadline, important to the State’s revenue picture. This year Controller Chiang’s office produced a day-by-day [tax tracker](#) showing net income tax collections accounting for withholdings and tax refunds paid.

“As I noted earlier this week, April’s income tax receipts came in higher than expected and that is welcome news. But it is important to remember that those figures reflect incomes earned in 2007, when the State’s economy was healthier than it is now,” Chiang said. “Although we have enough cash on hand to get us through the end of the fiscal year, it is critical that a State budget based on sound revenue projections and reflecting real budget reforms be passed in a timely manner.”

The State received \$8.1 billion more than it spent in the month of April. For the fiscal year to date, the State has spent \$9.5 billion more than it received in revenue. The State started the fiscal year with a \$2.5 billion cash balance, leaving a net cash deficit of \$7 billion on April 30. The State issued a \$7 billion Revenue Anticipation Note last fall that is covering this short-term deficit.

The [financial statement](#) and the [summary analysis](#) can be found on the Controller’s Web site at www.sco.ca.gov.

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